

SENATE BILL 528

Unofficial Copy  
C2  
SB 228/01 - FIN

2004 Regular Session  
4r0249  
CF 4r1526

---

By: **Senators Ruben, Forehand, Frosh, Grosfeld, Kelley, and Teitelbaum**  
Introduced and read first time: February 6, 2004  
Assigned to: Finance

---

A BILL ENTITLED

1 AN ACT concerning

2 **Cigarettes - Direct Sales and Shipping**

3 FOR the purpose of prohibiting a person engaged in the business of selling or  
4 distributing cigarettes from selling, shipping, or causing to be shipped  
5 cigarettes, ordered or purchased through a computer, telephonic, or other  
6 electronic network by a consumer or other unlicensed recipient, directly to a  
7 consumer or other unlicensed recipient in this State; establishing penalties for a  
8 violation of this Act by a licensee or other person engaged in the business of  
9 selling or distributing cigarettes; and generally relating to direct cigarette sales  
10 and shipping.

11 BY adding to  
12 Article - Business Regulation  
13 Section 16-223  
14 Annotated Code of Maryland  
15 (1998 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Business Regulation**

19 16-223.

20 (A) THIS SECTION APPLIES TO A PERSON WHO IS ENGAGED IN THE BUSINESS  
21 OF SELLING OR DISTRIBUTING CIGARETTES.

22 (B) A PERSON COVERED UNDER THIS SECTION MAY NOT:

23 (1) SELL OR SHIP CIGARETTES, ORDERED OR PURCHASED THROUGH A  
24 COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC NETWORK BY A CONSUMER OR  
25 OTHER UNLICENSED RECIPIENT, DIRECTLY TO A CONSUMER OR OTHER  
26 UNLICENSED RECIPIENT IN THIS STATE; OR

27 (2) CAUSE CIGARETTES, ORDERED OR PURCHASED THROUGH A  
28 COMPUTER, TELEPHONIC, OR OTHER ELECTRONIC NETWORK BY A CONSUMER OR

1 OTHER UNLICENSED RECIPIENT, TO BE SHIPPED DIRECTLY TO A CONSUMER OR  
2 OTHER UNLICENSED RECIPIENT IN THIS STATE.

3 (C) (1) A LICENSEE WHO SELLS OR SHIPS CIGARETTES IN VIOLATION OF  
4 THIS SECTION OR CAUSES CIGARETTES TO BE SHIPPED IN VIOLATION OF THIS  
5 SECTION IS SUBJECT TO:

6 (I) DISCIPLINE BY THE COMPTROLLER UNDER § 16-210 OF THIS  
7 SUBTITLE; AND

8 (II) THE PENALTY SPECIFIED UNDER § 13-1015 OF THE TAX -  
9 GENERAL ARTICLE.

10 (2) A PERSON OTHER THAN A LICENSEE WHO SELLS OR SHIPS  
11 CIGARETTES IN VIOLATION OF THIS SECTION OR CAUSES CIGARETTES TO BE  
12 SHIPPED IN VIOLATION OF THIS SECTION IS SUBJECT TO THE PENALTY SPECIFIED  
13 UNDER § 13-1015 OF THE TAX - GENERAL ARTICLE.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2004.